

Message Text

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ORIGIN AEC-11

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C O N F I D E N T I A L STATE 218206

EXCON

E.O. 11652: XGDS-1

TAGS: ESTC, COCOM, FR, CA

SUBJECT: FRENCH PROPOSAL ON EXPORTS TO INTERNATIONAL
ORGANIZATIONS AND CANADIAN AMENDMENT

REF: A) COCOM DOC (73) PROC 20B

B) OECD PARIS 28070

1) US BELIEVES FRENCH PROPOSAL TOO OPEN ENDED AND GOES TOO
FAR IN NEGATING ROLE OF COCOM IN CONTROLLING STRATEGIC
COMMODITIES. USDEL SHOULD TABLE FOLLOWING REVISION TO
FRENCH PROPOSAL FOR PURPOSE OF CLARIFYING INTENT AND
LIMITING VALUES AND KINDS OF GOODS THAT CAN BE EXPORTED
WITHOUT COMMITTEE APPROVAL: QUOTE EXPORTS OF EMBARGOED
COMMODITIES FOR USE IN PROJECTS UNDERTAKEN BY IAEA PURSUANT
TO ARTICLE XI OF THE IAEA STATUTE, EITHER WHEN SUPPLIED
TO THE IAEA BY MEMBER STATES OF THE COORDINATING COMMITTEE
FOR FINAL DELIVERY TO A COMMUNIST STATE OR EXPORTED
DIRECTLY BY A MEMBER STATE OF THE COORDINATING COMMITTEE
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TO A COMMUNIST COUNTRY, WILL NOT BE SUBJECT TO PRIOR

COMMITTEE APPROVAL PROVIDED (1) THE VALUE OF ANY INDIVIDUAL SHIPMENT DOES NOT EXCEED 25 THOUSAND DOLS AND IS NECESSARY AND PROPER FOR USE IN CONNECTION WITH THE IAEA APPROVED PROJECT, AND (2) THE SHIPMENT DOES NOT INVOLVE COMMODITIES EMBARGOED BY AEL-36 OR COMMODITIES REFERRED TO IN NOTE 2 OF AEL-36 (I.E., AEL-36, AEL-1, AEL-5, AND AEL-34). UNQUOTE

2) USG IS OPPOSED TO RELINQUISHING COCOM REVIEW IN CONTROL OVER EXPORTS INVOLVING THE SHIPMENT OF NUCLEAR REACTORS, MAJOR COMPONENTS OF NUCLEAR REACTORS, AND FUEL AND MODERATORS FOR NUCLEAR REACTORS. WHILE IAEA PROJECTS INVOLVING THESE COMMODITIES ARE SUBJECT TO BOARD OF GOVERNOR'S REVIEW, WE DO NOT BELIEVE THIS REVIEW REPLACES THE REVIEW GIVEN BY THE COORDINATING COMMITTEE. IAEA IN COCOM HAS SEPARATE AND DISTINCT FUNCTIONS WHICH MAY TEND TO PARALLEL AT TIMES BUT WHICH DO NOT SUPERSEDE OR REPLACE ONE ANOTHER. BOARD OF GOVERNOR'S DOES NOT OPERATE UNDER A UNANIMITY RULE AS DOES COCOM. THEREFORE, IT IS CONCEIVABLE AND QUITE POSSIBLE THAT US WISHES MIGHT NOT PREVAIL IN IAEA ON MAJOR REACTOR PROJECTS BEING CONSIDERED BY BOARD OF GOVERNORS FOR COMMUNIST BLOC COUNTRIES. COCOM AFFORDS US ONLY CERTAINTY OF VETOING COMMUNIST BLOC PROJECTS WHICH WE MIGHT CONSTRUE TO BE CONTRARY TO US NATIONAL INTEREST.

3) STATEMENT PRESENTLY SET FORTH IN NOTE 2 TO AEL-36 SPECIFICALLY INDICATES THAT THAT NOTE IS NOT TO BE INTERPRETED AS A COMMITMENT BY ANY MEMBER TO APPROVE ANY INDIVIDUAL CASE. THE INTENT OF THAT STATEMENT IS TO RESERVE THE RIGHT OF PC'S TO OBJECT TO A SHIPMENT MADE PURSUANT TO NOTE 2 NOTWITHSTANDING FACT THAT OTHER TERM OF NOTE HAVE BEEN FULFILLED, I.E., AGREEMENT BY RECIPIENT COUNTRIES TO ALLOW THE SAFEGUARDS OF THE IAEA TO BE APPLIED. US BELIEVES IT ESSENTIAL THAT THIS RIGHT BE MAINTAINED AND THAT EACH CASE SHOULD BE DECIDED IN THE COMMITTEE ON THE BASIS OF ALL RELEVANT CIRCUMSTANCES. (FYI. US EXECUTIVE BRANCH MADE IT QUITE CLEAR TO CONGRESS (JOINT COMMITTEE ON ATOMIC ENERGY) AT TIME OF ADOPTION OF NOTE 2 OF AEL-36 THAT NEW PROCEDURE ESTABLISHED BY NOTE 2 WOULD NOT PRECLUDE US FROM EXERCISING ITS VETO POWER ON ANY PROPOSED REACTOR EXPORTS SUBMITTED TO THE COMMITTEE IF IT CHOSE TO DO SO. FRENCH PROPOSAL WOULD ELIMINATE THAT PREROGATIVE IN COCOM. END FYI)

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LISHED BY NOTE 2 WOULD NOT PRECLUDE US FROM EXERCISING ITS VETO POWER ON ANY PROPOSED REACTOR EXPORTS SUBMITTED TO THE COMMITTEE IF IT CHOSE TO DO SO. FRENCH PROPOSAL WOULD ELIMINATE THAT PREROGATIVE IN COCOM. END FYI)

4) FRENCH PROPOSAL SERVES LITTLE PURPOSE EXCEPT TO ELIMINATE ROLE OF COORDINATING COMMITTEE IN MAJOR NUCLEAR EXPORT CASES. IF ADOPTED IT WOULD HAVE LITTLE EFFECT

ON ADMINISTRATIVE BURDEN OF COMMITTEES SINCE THERE ARE CURRENTLY FEW IAEA PROJECTS REQUIRING BOARD OF GOVERNOR'S REVIEW. USG BELIEVES THE 25 THOUSAND DOLS LIMIT MORE THAN ENOUGH TO ACCOMMODATE MAJORITY OF SHIPMENTS MADE IN CONJUNCTION WITH ANY IAEA PROJECTS APPROVED BY BOARD OF GOVERNOR'S WHICH ARE NOT SUBJECT TO NPT SAFEGUARDS.

5) FOR REASONS NOTED ABOVE US WOULD NOT FAVOR CANADIAN AMENDMENT SINCE IT WOULD EXEMPT FROM COCOM REVIEW SIGNIFICANT EXPORTS OF NUCLEAR MATERIALS AND/OR NUCLEAR REACTORS. IT IS NOT CLEAR IF THE PHRASE QUOTE COVERED BY NPT SAFEGUARDS UNQUOTE AS PROPOSED BY CANADIANS MODIFIES ENTIRE FRENCH PROPOSAL OR ONLY THAT PART BEGINNING WITH QUOTE NOR WILL THOSE UNQUOTE. MANNER IN WHICH THIS IS INTERPRETED WOULD DETERMINE IF CANADA WISHES TO ACCOMMODATE EXPORTS FOR IAEA APPROVED PROJECTS NOT COVERED BY NPT SAFEGUARDS. KISSINGER

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